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CERTIFICATE OF NEED PROGRAM DEPARTMENT OF HEALTH

+ CATHOLIC HEALTH

Franciscan Health System

January 31, 2007

Janis Sigman, Manager Certificate of Need Program Department of Health P.O. Box 47852 Olympia, WA 98504-7852

Dear Ms. Sigman:

Please accept this letter as a letter of intent for Franciscan Health Systems dba St. Clare Hospital (SCH) is proposing to establish a new dialysis facility on the campus of St. Clare Hospital in Lakewood (Per WAC 246-310-280, the service area is Pierce Five). This facility will have up to 10 stations. In accordance with WAC 246-310-080, the following information is provided:

1. A Description of the Extent of Services Proposed:

SCH is proposing to establish a new dialysis facility to be located on the St. Clare Hospital campus in Lakewood, Pierce County. This facility will provide in-center dialysis to end-stage renal patients residing in the area and will focus on patients either preferring or desiring dialysis contiguous to acute care.

2. <u>Estimated Cost of the Proposed Project:</u>

The capital expenditures are not expected to exceed \$1.0 million.

3. <u>Description of the Service Area:</u>

Per WAC 246-310-280, the service area is Pierce Five.

Thank you for your support in this matter.

Sincerely,

James Good Vice President Specialty Services